

Executive Registry

63-7921

Honorable Samuel S. Stratton
1229 House Office Building
Washington 25, D. C.

Attention: Mrs. Saguto

Dear Mr. Stratton:

In accordance with your recent request, I am enclosing a set of our application forms and a brochure describing employment opportunities with this Agency.

Sincerely,


Legislative Counsel

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Enclosures

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Originator: /s/  /sc
for Director of Personnel

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Honorable Richard B. Russell *nick*
Chairman
Committee on Armed Services
United States Senate
Washington 25, D. C.

Dear Senator Russell:

Since some time has elapsed since the last meeting of the CIA Subcommittee of Senate Armed Services, I believe it desirable that the Agency be afforded an opportunity to bring the Subcommittee up to date on various matters. Therefore, I suggest that arrangements be made for such a meeting at a time convenient to you and the other members.

As you may be aware, the Armed Services Committee of the House has favorably reported our retirement bill, H. R. 8427, and last week the Rules Committee granted a rule providing for a two-hour limit on debate. Floor action is presently planned for the week of 21 October. For your information, I am enclosing a chart which illustrates the principal differences between the Civil Service Retirement system and the proposed CIA system which is identical to the Foreign Service system. It is estimated that the proposed system would apply to only thirty per cent of the employees of the Agency.

I would hope that arrangements could be made for early consideration of this bill by the Senate Armed Services Committee. In the meantime, if there is any information or assistance which the Agency can furnish, I would be happy to see that this is done.

Sincerely,

(Signed) JOHN A. McCONE

John A. McCone
Director

Enclosure

4-50824

COMPARISON OF PRINCIPAL PROVISIONS OF THE CIVIL SERVICE,
FOREIGN SERVICE, AND PROPOSED CIA RETIREMENT SYSTEMS

PROVISIONS	CIVIL SERVICE	FOREIGN SERVICE & CIA
<u>General</u>		
Employee Contribution	6 1/2% of basic pay	Same
Basic Annuity Formula	Based on high 5-year-average salary: <u>1 1/2% of high 5 x 1st 5 yrs service</u> <u>+ 1 3/4% of high 5 x 2nd 5 yrs service</u> <u>+ 2% of high 5 x remaining yrs</u> <u>service</u>	Based on high-5-year average salary: <u>2% of high-5 x total years service</u>
Maximum Annuity	80% of high-5 salary	70% of high-5 salary
Mandatory Retirement	Age 70 with 15 years service	Career Ambassador and Career Minister or GS-18 and above: age 65 FSO Class 1 and below or GS-17 and below: age 60

Chart 1

Chart 2

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COMPARISON OF PRINCIPAL PROVISIONS OF THE CIVIL SERVICE,
FOREIGN SERVICE, AND PROPOSED CIA RETIREMENT SYSTEMS

PROVISIONS	CIVIL SERVICE	FOREIGN SERVICE & CIA
<u>Optional Retirement</u> (immediate annuity)	Age 60 - 30 years service Age 62 - 5 years service Age 55 - 30 years service-annuity is reduced by 5%	Age 50 - 20 years service (full earned annuity - not reduced)
<u>Discontinued Service - Selection Out</u>	Any age - 25 years service Age 50 - 20 years service (immediate, but annuity is reduced by 15%)	FSO Classes 1-3 or GS-14 and above: Immediate annuity at any age 5 years service (annuity not reduced) FSO Classes 4-7 or GS-13 and below: Separation pay at rate of one month's salary per year of service up to one year's salary; plus deferred annuity at age 60. Age 50 - 20 years service (full earned annuity - not reduced)
<u>Disability Retirement</u> Age and Service Minimum Annuity Taxability	Any age - 5 years service Lesser of: 40% high 5-year- average salary or annuity computed by extending service to age 60. Under Federal income tax "Sick Pay" exclusion, first \$100 per week tax exempt until optional retirement age.	Same Same Fully tax exempt. (The tax exempt provision has been temporarily dropped from the bill for CIA pending final House Ways & Means Committee action)

Chart 2

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COMPARISON OF PRINCIPAL PROVISIONS OF THE CIVIL SERVICE,
FOREIGN SERVICE, AND PROPOSED CIA RETIREMENT SYSTEMS

PROVISIONS	CIVIL SERVICE	FOREIGN SERVICE & CIA
<u>Survivor Annuity to Widow</u>		
Reduction of employee's annuity	2 1/2% of first \$3,600 plus 10% of balance	2 1/2% of first \$2,400 plus 10% of balance
Amount of widow's annuity	55% of employee's basic annuity	50% of employee's basic annuity
Termination of widow's annuity	Death or remarriage	Death only
<u>Reemployment of Annuitant</u>	Annuity offset against salary	Annuity plus salary cannot exceed basic pay at time of retirement

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MEMORANDUM FOR: THE DIRECTOR

The attached letter to Senator Russell is a reminder that some time has passed since the Agency briefed the Subcommittee (the last meeting was 31 July) and suggesting that arrangements be made for a meeting. In addition, it brings to the Senator's attention the current status of our early retirement bill and suggests that the Senate begin consideration. At this moment we have no indication of any plans Senator Russell might have to consider our bill.

Recommend signature

[Redacted Signature]

21 OCT 1963
(DATE)

Legislative Counsel

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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